

JAN 19 1956

LISTED DECEMBER 22nd, 1955.  
45,000 Class "B" preference shares without par value.  
Ticker Abbreviation "DRWB".  
Post Section 10.

## TORONTO STOCK EXCHANGE

## LISTING STATEMENT

## DONALD ROPES &amp; WIRE CLOTH LIMITED

(An operating Company incorporated under the laws of the Province of Ontario  
on the 28th day of December, 1945).

80c PARTICIPATING CLASS "B" PREFERENCE SHARES  
without par value

CAPITAL SECURITIES  
(as at November 8, 1955)

FUNDED DEBT	Authorized	Outstanding
First Mortgage Bonds .....	\$2,500,000	
5 $\frac{1}{4}$ % First Mortgage Sinking Fund Bonds Series A due 1974 .....	—	\$713,000
5% Notes due 1965 .....	—	\$150,000
SHARE CAPITAL		
5% Cumulative Class A Preference Shares with a par value of \$100 each .....	\$ 480,000	\$454,000
80c Participating Class B Preference Shares without par value .....	90,000 shs.	45,000 shs.
Non-cumulative Redeemable Non-Voting Class C Preference Shares with a par value of \$1 each .....	\$ 600,000	—
Common Shares without par value .....	180,000 shs.	90,000 shs.

1. APPLICATION

DONALD ROPES & WIRE CLOTH LIMITED (herein sometimes called the "Company") hereby makes application for listing on the Toronto Stock Exchange of 45,000 80c Participating Class B Preference Shares without par value of the capital stock of the Company, all of which are issued and outstanding as fully paid and non-assessable.

2. REFERENCE TO THE PROSPECTUS

Reference is made to the Prospectus issued by the Company under date of November 8th, 1955, in respect of the offering of 45,000 80c Participating Class B Preference Shares without par value of the capital stock of the Company, a copy of which Prospectus is incorporated herein and made a part hereof.

3. OPINION OF COUNSEL

Messrs. Inch, Easterbrook & Cannon, 15 King Street West, Hamilton, Ontario, Counsel for the Company, are filing in support of this application an opinion stating, among other things,

- (i) The Company has been duly incorporated and is a valid and subsisting Company in good standing under the laws of the Province of Ontario.
- (ii) 45,000 80c Participating Class B Preference Shares without par value of the capital stock of the Company have been duly issued and are outstanding as fully paid and non-assessable.

R. F. Inch, Q.C., who is a director of the Company is a partner in the firm of Inch, Easterbrook & Cannon.

4. LISTING ON OTHER STOCK EXCHANGES

The Company is not making application at the present time for listing the 80c Participating Class B Preference Shares without par value on any other stock exchange.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.



5. STATUS UNDER THE SECURITIES ACT

The offering of the 45,000 80c Participating Class B Preference Shares without par value of the capital stock of the Company for sale through registered brokers in all the Provinces of Canada other than Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland, has been approved.

6. FISCAL YEAR

The fiscal year of the Company ends on December 31st.

7. ANNUAL MEETINGS

Under the by-laws of the Company the annual meeting of the shareholders is held on such day in each year as the Board of Directors may by resolution determine. The last annual meeting was held on the 26th day of April, 1955.

8. HEAD OFFICE

The head office of the Company is 180 King William Street, Hamilton, Ontario.

9. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the 80c Participating Class B Preference Shares without par value of the capital stock of the Company is The Royal Trust Company at Toronto, Montreal and Hamilton.

10. TRANSFER FEE

No fee is charged on the transfer of 80c Participating Class B Preference Shares without par value other than stock transfer taxes.

11. AUDITORS

The Auditors of the Company are Messrs. PUNCHARD, GRANT & CO., 320 Bay Street, Toronto.

12. OFFICERS

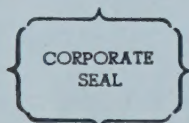
George Edward Donald	President	Ancaster, Ontario
Sydney Herbert Green	Vice-President	134 Dalewood Crescent, Hamilton, Ontario
Sydney Herbert Green	Secretary	134 Dalewood Crescent, Hamilton, Ontario
Reginald Ernest Oliver	Treasurer	296 Rosedale Avenue, Hamilton, Ontario

13. DIRECTORS

George Edward Donald	Manufacturer	Ancaster, Ontario
Sydney Herbert Green	Manufacturer	134 Dalewood Crescent, Hamilton, Ontario
Robert Fortune Inch	Queen's Counsel	36 Robinson Street, Hamilton, Ontario
Percy Warren Hume	Investment Dealer	80 Fifeshire Road North, Willowdale, Ontario
Reginald Ernest Oliver	Executive	296 Rosedale Avenue, Hamilton, Ontario

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing of the above-mentioned securities on the Toronto Stock Exchange, and the undersigned officers hereof hereby certify that the statement and representations made in this application and the documents submitted in support hereof are true and correct.



DONALD ROPES & WIRE CLOTH LIMITED

"GEO. E. DONALD", President

"S. H. GREEN", Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of 80c Participating Class B Preference shares without par value stock

as of 7th December, 1955

Number		Shares
193	Holders of 1 - 100 share lots	11,175
23	" " 101 - 200 " "	4,080
9	" " 201 - 300 " "	2,600
1	" " 301 - 400 " "	400
3	" " 401 - 500 " "	1,500
1	" " 501 - 1000 " "	700
1	" " 1001 - up " "	24,545
231 Stockholders		Total Shares..... 45,000



This prospectus is not, and under no circumstances is to be construed as, a public offering of these shares for sale in the United States of America or in the territories or possessions thereof.

OUTSTANDING ISSUE

**45,000 Shares**

# **Donald Ropes & Wire Cloth Limited**

(Incorporated under the laws of the Province of Ontario)

## **80¢ Participating Class B Preference Shares**

(Without par value)

The 80¢ participating Class B preference shares (hereinafter referred to as the "Class B shares") are entitled, as and when declared by the board of directors, to non-cumulative preferential cash dividends aggregating 80¢ per share in each fiscal year, payable 20¢ quarterly on the first days of February, May, August and November. At no time during any fiscal year shall the total dividends per share on the common shares exceed those on the Class B shares during such fiscal year.

Whenever in any fiscal year dividends aggregating 80¢ per share have been paid on or set aside for the Class B shares in the prescribed manner and dividends aggregating 80¢ per share have been paid on or set aside for the common shares, any additional dividends on the Class B and common shares in such fiscal year shall be declared in equal amounts per share on the Class B and common shares.

If the Company fails to pay on any quarterly dividend payment date the quarterly dividend of 20¢ per Class B share in full, then no dividends may be paid upon the common shares until such 20¢ quarterly dividends have been resumed and paid or set aside for six consecutive quarters.

The foregoing dividends on the Class B shares are payable in cash (by warrants or cheques payable at par at any branch of the Company's bankers for the time being in Canada, far northern branches excepted). Common share dividends may be paid wholly or in part in non-cumulative redeemable non-voting Class C preference shares taken at their par value.

The Class B shares are non-callable, fully paid and non-assessable. In the event of liquidation, applicable assets of the Company will be distributed to the holders of the Class B and common shares equally share for share.

The Class B shares are non-voting except in certain events.

A full statement of the provisions attaching to the various classes of shares in the capital of the Company appears on pages 7 to 13 inclusive of this prospectus.

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### **Transfer Agent and Registrar:**

The Royal Trust Company, Toronto, Montreal and Hamilton.

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The Company has made application for the listing of these Class B shares on The Toronto Stock Exchange.

These Class B shares are presently outstanding and the proceeds of the sale thereof will not be received by the Company.

We, as principals, offer these Class B shares subject to prior sale and change in price, if, as and when received and subject to the approval of all legal matters on our behalf by Messrs. Fraser, Beatty, Tucker, McIntosh & Stewart, Toronto and on behalf of the Company and the selling shareholders by Messrs. Inch, Easterbrook & Cannon, Hamilton.

**PRICE: \$15 per share flat, to yield 5.33%**

It is expected that interim share certificates will be available for delivery on or about November 15, 1955.

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## DONALD ROPES & WIRE CLOTH LIMITED

Hamilton, Ontario,  
November 8, 1955.

GAIRDNER & COMPANY LIMITED,  
Toronto, Ontario.

Dear Sirs:

With reference to the proposed offering of 45,000 80¢ participating Class B preference shares (hereinafter sometimes called the "Class B shares") of Donald Ropes & Wire Cloth Limited, I take pleasure in providing the following information:

### The Company

The business was founded in Hamilton, Ontario, in 1907 by the late Alexander Donald. Wire cloth and wire screens were produced at first and wire rope and perforated screens were added in 1919. Donald Ropes & Wire Cloth Limited (hereinafter called the "Company") was incorporated under the laws of Ontario in December, 1945. The Company now ranks as one of the largest manufacturers engaged in its field in Canada. Distribution is on a national scale, extending from the Maritimes to British Columbia.

### Plants

The head office and main plant are located in Hamilton at 180 King William Street and these are of brick construction, three and four storeys in height, providing a total of about 105,000 square feet of floor space. The buildings have been thoroughly modernized and are in an excellent state of maintenance. The machinery installed includes some of the most modern automatic and semi-automatic types for the manufacture of wire rope, screens and perforated metals.

The Company acquired in 1948 a 25-acre site located in the West End of Hamilton and served by a siding from the Toronto, Hamilton and Buffalo Railway. The following year the first unit of a single storey plant of brick and steel construction was completed there and has since been enlarged to its present size of about 47,000 sq. ft. This plant will be further enlarged in 1956, to bring its total manufacturing and warehousing area up to 100,000 sq. ft. During the past few years the Company has been gradually transferring its wire rope manufacturing to the new plant and this process is scheduled to be completed by 1957. It is anticipated that the capital cost of the construction of the addition to the new plant will be provided out of the Company's own funds, by bank loans and/or other borrowing.

### Products and Sales

Wire rope is the Company's principal product, comprising about one-half of total sales volume. Wire to be manufactured into various types of wire rope is purchased from both Canadian and foreign suppliers. The major consumers are the construction industry (including highway construction), mines, pulp and paper producers, steel mills (for materials handling) and oil drillers. Wire rope is used in power shovels, cranes, pile drivers, graders and bulldozers and in many other kinds of earth-moving equipment. Slings for materials handling in heavy industry represent a sizeable market. Guy lines and braces of wire rope are used extensively in bridge and building construction. Other uses include marine rigging and equipment, supports for electrical cables and poles, mining shaft hoists and logging equipment.

The Company holds an exclusive Canadian licence for a Swedish device—a pressed fitting called "Talurit"—which eliminates hand splicing of wire rope. The necessary equipment to apply the fitting was installed two years ago and since that time the Company has developed the Canadian acceptance of this device with excellent results.

Industrial wire cloth and heavy woven screens are manufactured in many sizes and types which have wide applications. In addition to uses involving sieving and grading, wire cloth and screens are extensively employed for shielding machinery installations. The principal buyers are the chemical and electronic industries, asbestos and other mining companies, and companies engaged in highway construction and other divisions of the construction and building materials industries.

Insect screen cloth is manufactured in various types, using aluminum, bronze and galvanized iron wire. The growing popularity of the permanent aluminum combination storm and screen window has increased sales of the Company's aluminum screening. Insect screen cloth is sold through wholesale hardware companies from coast to coast, separate from the Company's other merchandising channels.

In the field of perforated metal products the Company is now Canada's largest manufacturer. Stainless steel, copper, monel and other metal plates are used. Pulp and paper mills are among the most important buyers of the Company's perforated screens. In general perforated metals are used in many kinds of industrial machinery in place of, or supplementary to, woven wire screening. The Company is able to supply a broad range of both kinds of screens to suit customers' specifications.

The Company's perforated screens are also sold for various decorative uses in the manufacture of household electrical appliances, furniture and automobiles.

The Company has more than 2400 regular accounts across Canada representing nearly every industry. In addition to the main sales and warehousing facilities in Hamilton, branch offices and warehouses are maintained in Montreal and Winnipeg.

### Capitalization

	<u>Authorized</u>	<u>Outstanding</u>
First Mortgage Bonds.....	\$2,500,000	
5¼% First Mortgage Sinking Fund Bonds Series A due 1974...		\$713,000
5% Notes due 1965.....	—	\$150,000
5% Cumulative Class A Preference Shares with a par value of \$100 each	\$ 480,000	\$454,000
80¢ Participating Class B Preference Shares without par value.....	90,000 shs.	45,000 shs.
Non-cumulative Redeemable Non-voting Class C Preference Shares with a par value of \$1 each.....	\$ 600,000	—
Common Shares without par value.....	180,000 shs.	90,000 shs.



## Earnings

The following report has been received from the Company's auditors, Messrs. Punchard, Grant & Co., Chartered Accountants:

### Donald Ropes & Wire Cloth Limited

#### Statement of Earnings

For the Nine Years Ended December 31, 1954  
and the Eight Months Ended August 31, 1955

Year	Profit before depreciation, interest and taxes on income	Deduct— depreciation	Profit before interest and taxes on income	Deduct— interest	Profit before taxes on income	Deduct— taxes on income	Net profit
1946.....	\$163,660	\$ 47,688	\$115,972	\$14,500	\$101,472	\$ 41,557	\$ 59,915
1947.....	210,532	51,012	159,520	14,500	145,020	67,306	77,714
1948.....	236,994	63,037	173,957	14,500	159,457	59,966	99,491
1949.....	302,375	108,131	194,244	28,429	165,815	90,670	75,145
1950.....	507,032	142,305	364,727	30,146	334,581	145,157	189,424
1951.....	849,553	146,854	702,699	25,713	676,986	357,607	319,379
1952.....	744,128	133,549	610,579	23,013	587,566	305,499	282,067
1953.....	680,145	145,849	534,296	21,731	512,565	252,000	260,565
1954.....	590,497	133,228	457,269	39,633	417,636	196,700	220,936
1955							
Eight months ended							
August 31.....	453,642	78,164	375,478	30,602	344,876	160,000	184,876

To the Directors of  
DONALD ROPES & WIRE CLOTH LIMITED.

We have examined the accounts of Donald Ropes & Wire Cloth Limited for the nine years and eight months ended August 31, 1955 and report that, in our opinion, the above statement fairly presents the earnings of the company for the period.

Toronto, Canada,  
November 8, 1955.

(Signed) PUNCHARD, GRANT & Co.,  
Chartered Accountants.

#### Dividend Policy

Following the sale to the public of the 45,000 Class B shares the board of directors proposes to adopt and maintain a dividend policy, subject to modification in the event of adverse business conditions or otherwise in the discretion of the Board in the interests of the Company, of distributing to the shareholders of the Company in each year approximately 60% of the net profits in the preceding year. The sum necessary to pay the annual dividends upon the outstanding 5% cumulative Class A preference shares and 80¢ per share upon the outstanding Class B and common shares amounts to \$130,700. This represents 60% of \$217,833. Accordingly, based upon the present shares outstanding, the dividend policy would result in the payment of participating dividends upon the Class B and common shares when the net profits in the preceding year exceed \$217,833. It is anticipated that the first participating dividends will, if declared, be paid in July or August, 1956 based on net profits in 1955.

#### Summary of Certain Share Provisions

The holders of the Class B shares are entitled to receive in each fiscal year of the Company, as and when declared by the board of directors, non-cumulative preferential cash dividends aggregating 80¢ per share payable 20¢ quarterly on the first days of February, May, August and November. At no time during any fiscal year of the Company shall the dividend or, if more than one, the aggregate of the dividends per share declared and/or paid and/or set aside for payment on the common shares during such fiscal year exceed the dividend or, if more than one, the aggregate of the dividends per share declared and/or paid and/or set aside for payment on the Class B shares during such fiscal year. Whenever in any fiscal year four quarterly dividends each of 20¢ per share shall have been declared and paid and/or set aside for payment on all the Class B shares in the prescribed manner and a dividend or dividends aggregating 80¢ per share shall have been paid and/or set aside for payment on all the common shares, any and all further dividends on the Class B and common shares in such fiscal year shall be declared in equal amounts per share on all the Class B shares and common shares at the time outstanding. All the above-mentioned dividends shall be paid as to the Class B shares in cash (by warrants or cheques payable at par at any branch of the Company's bankers for the time being in Canada, far northern branches excepted) and as to the common shares in cash and/or in non-cumulative redeemable non-voting Class C preference shares (hereinafter called the "Class C shares") taken at their par value. If the Company pays any tax under Part II of the Income Tax Act or under any similar provisions at a rate greater than 15% the excess amount of the tax shall be treated as having been declared and paid as a dividend upon the common shares. Nothing contained in the Class B share provisions shall prevent the payment by the Company of any such tax at a rate of 15% or less.

No Class C shares shall be issued except in payment of dividends on the common shares as mentioned above and no Class C shares shall be issued at any time when there are outstanding any such shares which were issued one year or more prior to such time.

If the Company fails to pay on any quarterly dividend payment date the quarterly dividend of 20¢ per share in full on the Class B shares outstanding, then no dividends shall be declared or paid on or set aside for the common shares until six consecutive quarterly dividends of 20¢ per share shall thereafter have been declared and paid on or set aside for payment on the Class B shares.

In the event of the liquidation, dissolution or winding up of the Company the holders of the Class B shares shall be entitled (subject to the rights of the holders of the 5% cumulative Class A preference shares and of the Class C shares) to receive from the assets of the Company a sum equal to all declared and unpaid non-cumulative dividends thereon and to share equally with the holders of the common shares, share for share, in all further distributions of the assets of the Company.

The holders of the Class B shares shall not be entitled to attend or vote at any meeting of the shareholders of the Company but they shall be entitled to have mailed to them copies of the annual financial statements and notice of shareholders' meetings. If, however, the Company shall fail to pay six consecutive quarterly



dividends of 20¢ each on the Class B shares on the prescribed dates, then thereafter until, but only until, the Company shall have paid eight consecutive quarterly dividends of 20¢ each on the Class B shares on the prescribed dates the holders of the Class B shares shall be entitled to attend all meetings of the shareholders of the Company and to one vote per Class B share and in addition to elect, as a class, one director.

The Class B shares rank junior to the 5% cumulative Class A preference shares as to capital and dividends and to the Class C shares as to capital.

**The foregoing summary is not complete and is qualified in its entirety by reference to the provisions attaching to the various classes of shares in the capital of the Company which appear on pages 7 to 13 inclusive of this prospectus.**

#### **Current Operations and Outlook**

Each of the Company's manufacturing divisions—wire rope, woven wire screens, wire cloth and perforated metals—is making satisfactory progress. The activity of, and general outlook for, the numerous industries which furnish the demand for the Company's products appear to be excellent.

The present offering of Class B shares is not associated with any change in the control or management of the Company.

Yours very truly,

(Signed) GEORGE E. DONALD,

President.



# DONALD ROPES & WIRE CLOTH LIMITED

## Balance Sheet

As at August 31, 1955

### Assets

#### CURRENT ASSETS:

Cash.....	\$	18,138.09	
Accounts receivable less allowance for doubtful accounts of \$25,190.08		713,385.49	
Sundry deposits and advances.....		9,562.02	
Merchandise comprising manufactured products, goods in process and raw materials, as determined and certified by the management and valued at the lower of cost or market.....		<u>1,313,604.30</u>	\$2,054,689.90

#### SUNDRY ASSETS:

Cash surrender value of life insurance.....	\$	83,137.67	
Prepaid insurance and expenses.....		41,988.63	
Owing by employees.....		9,610.45	
Deposits on purchases of equipment.....		14,532.17	
Franchise rights less amortization.....		<u>4,111.11</u>	153,380.03

#### CAPITAL ASSETS:

Land, buildings and equipment at cost less accumulated depreciation of \$1,017,312.77 (Note 1).....			<u>1,039,749.16</u>
			<u><u>\$3,247,819.09</u></u>

### Liabilities

#### CURRENT LIABILITIES:

Accounts payable and accrued charges.....	\$	439,782.87	
First Mortgage Bonds—			
Interest accrued.....		12,477.48	
Sinking fund instalment due May 1, 1956.....		37,000.00	
Taxes payable—			
Income.....		130,591.82	
Other.....		<u>24,433.73</u>	\$ 644,285.90

#### DEFERRED LIABILITIES:

First Mortgage Bonds, \$2,500,000 authorized, whereof issued—			
5¼% First Mortgage Sinking Fund Bonds Series A maturing May 1, 1974 and redeemable—less sinking fund instalment of \$37,000 due May 1, 1956.....	\$	676,000.00	
5% Notes payable maturing March 1, 1965.....		<u>150,000.00</u>	826,000.00

#### CAPITAL AND SURPLUS:

4,800 cumulative first preference shares with a par value of \$100.00 each (5%, redeemable at par) authorized, whereof issued 4,540 shares.....	\$	454,000.00	
3,158 non-cumulative second preference shares with a par value of \$100.00 each (5%, redeemable at par) authorized, whereof issued and redeemed 259 shares (Note 2).			
20,000 common shares without par value authorized, whereof issued 10,003 shares.....		10,003.00	
Earned surplus.....		<u>1,313,530.19</u>	1,777,533.19
			<u><u>\$3,247,819.09</u></u>

Approved on behalf of the Board:

(Signed) GEO. E. DONALD, Director

(Signed) S. H. GREEN, Director

### Notes to the Balance Sheet and the Pro Forma Balance Sheet (over)

- Commitments for the purchase of capital assets amounted to \$93,386.00 at August 31, 1955.
- Subsequent to April 30, 1954 2842 second preference shares were redeemed and the number of second preference shares authorized was reduced accordingly from 6000 shares on April 29, 1954 to 3158 shares on August 31, 1955.
- The pro forma balance sheet gives effect as at August 31, 1955 to the issue to the Company of supplementary letters patent applied for on October 28, 1955,
  - Cancelling 3158 second preference shares authorized on August 31, 1955 of which 259 shares had been issued and redeemed prior to April 30, 1954.
  - Cancelling 3 common shares issued and outstanding.
  - Redesignating 4800 cumulative first preference shares authorized (whereof issued 4540 shares) as 5% cumulative Class A preference shares with a par value of \$100 each.
  - Reclassifying and subdividing 10,000 issued common shares without par value into 45,000 80¢ participating Class B preference shares without par value and 90,000 common shares without par value.
  - Creating an additional 45,000 80¢ participating Class B preference shares and 80,003 common shares.
  - Creating 600,000 non-cumulative redeemable non-voting Class C preference shares with a par value of \$1 each.
- The deed of trust and mortgage under which the 5¼% First Mortgage Sinking Fund Bonds Series A were issued contains provisions permitting (subject to certain conditions therein set forth) the issuance from time to time of Bonds up to an aggregate principal amount of \$2,500,000 of which the said 5¼% First Mortgage Sinking Fund Bonds Series A were authorized as the initial issue. The said deed of trust and mortgage also contains provisions restricting among other things the payment of dividends subject to certain specified conditions.
- The 80¢ participating Class B preference shares are convertible into, and may be reclassified into, common shares under certain conditions as set forth in the provisions attaching to such shares.



# DONALD ROPES & WIRE CLOTH LIMITED

## Pro Forma Balance Sheet

As at August 31, 1955

### Assets

#### CURRENT ASSETS:

Cash.....	\$	18,138.09	
Accounts receivable less allowance for doubtful accounts of \$25,190.08		713,385.49	
Sundry deposits and advances.....		9,562.02	
Merchandise comprising manufactured products, goods in process and raw materials, as determined and certified by the management and valued at the lower of cost or market.....		<u>1,313,604.30</u>	\$2,054,689.90

#### SUNDRY ASSETS:

Cash surrender value of life insurance.....	\$	83,137.67	
Prepaid insurance and expenses.....		41,988.63	
Owing by employees.....		9,610.45	
Deposits on purchases of equipment.....		14,532.17	
Franchise rights less amortization.....		<u>4,111.11</u>	153,380.03

#### CAPITAL ASSETS:

Land, buildings and equipment at cost less accumulated depreciation of \$1,017,312.77 (Note 1).....			<u>1,039,749.16</u>
			<u>\$3,247,819.09</u>

### Liabilities

#### CURRENT LIABILITIES:

Accounts payable and accrued charges.....	\$	439,782.87	
First Mortgage Bonds—			
Interest accrued.....		12,477.48	
Sinking fund instalment due May 1, 1956.....		37,000.00	
Taxes payable—			
Income.....		130,591.82	
Other.....		<u>24,433.73</u>	\$ 644,285.90

#### DEFERRED LIABILITIES:

First Mortgage Bonds, \$2,500,000 authorized, whereof issued—			
5¼% First Mortgage Sinking Fund Bonds Series A maturing May 1, 1974 and redeemable—less sinking fund instalment of \$37,000 due May 1, 1956.....	\$	676,000.00	
5% Notes payable maturing March 1, 1965.....		<u>150,000.00</u>	826,000.00

#### CAPITAL AND SURPLUS:

4,800 5% cumulative Class A preference shares with a par value of \$100.00 each (redeemable at par) authorized, whereof issued 4,540 shares.....	\$	454,000.00	
90,000 80¢ participating Class B preference shares without par value (non-cumulative) authorized, whereof issued 45,000 shares...		10,003.00	
180,000 common shares without par value authorized, whereof issued 90,000 shares.....			
600,000 non-cumulative redeemable non-voting Class C preference shares with a par value of \$1.00 each (redeemable at par) authorized			
Earned surplus.....		<u>1,313,530.19</u>	<u>1,777,533.19</u>
			<u>\$3,247,819.09</u>

Approved on behalf of the Board:

(Signed) GEO. E. DONALD, Director

(Signed) S. H. GREEN, Director

### Auditors' Report

To the Directors of

DONALD ROPES & WIRE CLOTH LIMITED.

We have examined the balance sheet and pro forma balance sheet of Donald Ropes & Wire Cloth Limited as at August 31, 1955. In connection therewith, we examined or tested the records of the company by the means and to the extent we deemed appropriate and in accordance with generally accepted auditing standards.

Merchandise at August 31, 1955 was computed by reference to the company's records of quantities of stock on hand and no physical count of such merchandise was made at that time.

On this basis, we report that, in our opinion, the accompanying balance sheet has been properly drawn up so as to exhibit a true and correct view of the state of the affairs of Donald Ropes & Wire Cloth Limited as at August 31, 1955 according to the best of our information and the explanations given us and as shown by the books. We also report that, in our opinion, the accompanying pro forma balance sheet has been properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at the same date after giving effect to the issue of the supplementary letters patent referred to in the notes to the balance sheet and the pro forma balance sheet according to the best of our information and the explanations given us.

Toronto, Canada,  
November 8, 1955.

(Signed) PUNCHARD, GRANT & Co.,  
Chartered Accountants.



## Statutory Information

1. The full name of the Company is DONALD ROPES & WIRE CLOTH LIMITED (hereinafter called the "Company") and the address of the head office of the Company is 180 King William Street, Hamilton, Ontario.
2. The Company was incorporated under the laws of the Province of Ontario by letters patent dated December 28, 1945. Supplementary letters patent have been issued to the Company dated February 14, 1949, March 26, 1952 and October 28, 1955 respectively.
3. The general nature of the business actually transacted or to be transacted by the Company is the manufacture and sale of wire rope, wire cloth, wire screening and perforated metals.
4. The names in full, present occupations and home addresses of the officers and directors of the Company are as follows:

### Officers

President.....GEORGE EDWARD DONALD.....Manufacturer.....Ancaster, Ontario.  
Vice-President and Secretary.....SYDNEY HERBERT GREEN.....Manufacturer...134 Dalewood Crescent,  
Hamilton, Ontario.  
Treasurer.....REGINALD ERNEST OLIVER.....Executive.....296 Rosedale Avenue,  
Hamilton, Ontario.

### Directors

GEORGE EDWARD DONALD.....Manufacturer.....Ancaster, Ontario.  
SYDNEY HERBERT GREEN.....Manufacturer.....134 Dalewood Crescent, Hamilton, Ontario.  
ROBERT FORTUNE INCH.....Queen's Counsel.....36 Robinson Street, Hamilton, Ontario.  
PERCY WARREN HUME.....Investment Dealer....80 Fifeshire Road North, Willowdale, Ontario.  
REGINALD ERNEST OLIVER.....Executive.....296 Rosedale Avenue, Hamilton, Ontario.

5. The auditors of the Company are Messrs. Punchard, Grant & Co., Chartered Accountants, 320 Bay Street, Toronto, Ontario.

6. The Royal Trust Company at the Cities of Toronto, Hamilton and Montreal is the transfer agent and registrar of the 80¢ participating Class B preference shares and common shares in the capital of the Company hereinafter referred to.

The registers of the 5% cumulative Class A preference shares and non-cumulative redeemable non-voting Class C preference shares in the capital of the Company hereinafter referred to and for the recording of transfers of such shares are maintained at the head office of the Company, 180 King William Street, Hamilton, Ontario.

National Trust Company, Limited is the Trustee under the deed of trust and mortgage pursuant to which the \$750,000 aggregate principal amount of 5¼% First Mortgage Sinking Fund Bonds Series A hereinafter referred to were issued and registers upon which coupon 5¼% First Mortgage Sinking Fund Bonds Series A may be registered as to principal and upon which fully registered 5¼% First Mortgage Sinking Fund Bonds Series A shall be registered as to principal and interest and upon which transfers of 5¼% First Mortgage Sinking Fund Bonds Series A so registered shall be recorded are kept by the said National Trust Company, Limited at its offices in the Cities of Toronto, Montreal and Winnipeg.

7. The authorized capital of the Company consists of 4800 5% cumulative Class A preference shares with a par value of \$100 each, 90,000 80¢ participating Class B preference shares without par value, 600,000 non-cumulative redeemable non-voting Class C preference shares with a par value of \$1 each and 180,000 common shares without par value of which 4540 5% cumulative Class A preference shares, 45,000 80¢ participating Class B preference shares and 90,000 common shares are outstanding as fully paid and non-assessable shares.

8. The rights, preferences, priorities, limitations, conditions and restrictions attaching to the 5% cumulative Class A preference shares in the capital of the Company are substantially as follows:

(1) The holders of 5% cumulative Class A preference shares shall have the right to receive when and as declared out of moneys of the Company properly applicable to the payment of dividends fixed cumulative preferential dividends thereon at the rate of five per centum (5%) per annum upon the amount from time to time paid up thereon in preference and priority to the right of the holders of second preference shares and common shares to receive any dividends on such second preference shares or on such common shares; the preferential dividends shall be payable in half-yearly instalments on the first days of June and December in each year but shall be payable only out of moneys properly applicable to the payment of dividends; if in any one year dividends at the rate aforesaid are not paid on the said 5% cumulative Class A preference shares the amount of the deficiency shall be paid subsequently by way of dividend on such shares before any dividend is paid upon or set apart for the holders of second preference shares or common shares; the holders of the said 5% cumulative Class A preference shares shall not be entitled to any dividends other than or in excess of the cumulative dividends hereinbefore provided; no dividends shall be declared or paid on any second preference shares or common shares of the Company until all accrued dividends on the 5% cumulative Class A preference shares as hereinbefore provided shall have been declared and until there shall have been set apart for dividends on the said 5% cumulative Class A preference shares an amount sufficient to pay all declared preferential dividends;

(2) The holders of the said 5% cumulative Class A preference shares shall also have the right on the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among the shareholders for the purpose of winding up its affairs to repayment of the amount paid up on such shares, together with all accrued and unpaid preferential dividends thereon, calculated as if such dividends were accruing for the period from the end of the last dividend period for which a dividend was declared and paid down to the date of such liquidation, dissolution or winding up or other distribution as the case may be, before the holders of second preference shares or common shares of the Company shall be entitled to repayment of the amounts or any part thereof paid up on such second preference shares or common shares or to participate in the assets of the Company, but the holders of the said 5% cumulative Class A preference shares shall not have the right to any further participation in the assets of the Company;

(3) The Company may at any time or times redeem the whole or any part of the said 5% cumulative Class A preference shares by purchasing any of such 5% cumulative Class A preference shares in the market at the lowest price at which, in the opinion of the board of directors of the Company, such shares are obtainable, but such price shall not in any case exceed the amount paid up thereon and costs of purchase together with



all accrued and unpaid dividends thereon calculated as if the preferential dividends thereon were accruing for the period from the time of payment on the last half-yearly instalment down to the date of such purchase; from and after the date of purchase of any 5% cumulative Class A preference shares under the provisions in this paragraph contained, the 5% cumulative Class A preference shares so purchased shall be deemed to be redeemed and shall be cancelled;

(4) Upon giving notice as hereinafter provided the Company may on any date redeem the whole or any part of the 5% cumulative Class A preference shares then outstanding on payment of the amount paid up thereon plus all accrued and unpaid dividends thereon calculated as if the preferential dividends on such shares were accruing for the period from the time of payment of the last half-yearly instalment down to the date of such redemption;

(5) Except in the case of shares purchased in the market the Company shall give at least thirty (30) days' notice in writing of its intention to redeem the whole or any of the outstanding 5% cumulative Class A preference shares to the holders thereof as registered in the Company's books at the date of the giving of such notice; such notice shall be given by posting the same in a post-paid registered letter addressed to each 5% cumulative Class A preference shareholder at the last address of such shareholder as it appears on the books of the Company or in the event of the address of any shareholder not so appearing then to the last known address of such shareholder; such notice shall set out the date on which redemption is to take place and on and after the date so specified for redemption the Company shall pay or cause to be paid to the registered holders thereof the redemption price upon presentation and surrender at the head office of the Company or at any other place designated in such notice of the certificates for such 5% cumulative Class A preference shares so called for redemption; the certificates for such shares shall thereupon be cancelled and the redemption of the shares covered thereby shall thereupon be completed; from and after the date specified in any such notice the 5% cumulative Class A preference shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made by the Company on presentation and surrender of the certificates in accordance with the foregoing provisions;

(6) Should the holders of any 5% cumulative Class A preference shares so called for redemption fail to present the certificates representing such shares within ten (10) days after the date specified for redemption the Company shall have the right to deposit the redemption price of such shares with any chartered bank in Canada to the credit of a special account providing for such amount to be paid to the holders of such shares upon surrender to such bank of the certificates representing the same, and upon such deposit such shares shall, so far as liability of the Company is concerned be deemed to be redeemed and cancelled; after the Company has made a deposit as aforesaid with respect to any shares the right of the holders of such shares as against the Company shall be limited to receiving the amount so deposited and such holders shall not be entitled to any further participation in the profits or assets of the Company or to exercise any rights as holders of such shares so redeemed and cancelled; no 5% cumulative Class A preference shares purchased or redeemed by the Company may be reissued; nothing herein contained shall require the Company to purchase or redeem any of the said 5% cumulative Class A preference shares;

(7) In the event of the Company's redeeming at any time less than the whole of the then outstanding 5% cumulative Class A preference shares the shares so to be redeemed shall be redeemed pro rata;

(8) Holders of 5% cumulative Class A preference shares shall be entitled to one vote for each share so held at all meetings of the shareholders of the Company; and

(9) So long as any of the said 5% cumulative Class A preference shares remain outstanding the Company shall not, without the consent, in addition to the consent required by the provisions of The Companies Act, of the holders of seventy-five per centum (75%) of the outstanding 5% cumulative Class A preference shares hereby provided for pass a by-law authorizing an application for supplementary letters patent to create any preference shares of the Company ranking in priority to or pari passu with the 5% cumulative Class A preference shares of the Company.

The preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the 80¢ participating Class B preference shares (hereinafter sometimes called the "Class B preference shares") in the capital of the Company are substantially as follows:

(1) The holders of the Class B preference shares, in priority to the common shares and any shares ranking junior to the Class B preference shares, shall be entitled to receive and the Company shall pay thereon in each fiscal year of the Company as and when declared by the board of directors of the Company non-cumulative preferential cash dividends aggregating Eighty cents (80¢) per share payable Twenty cents (20¢) quarterly on the first day of each of February, May, August and November in each year; warrants or cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches as may from time to time be designated by such bankers excepted) shall be issued in respect of such dividends and payment thereof shall satisfy such dividends; each such dividend shall be paid in equal amounts per share on all the Class B preference shares outstanding on the quarterly dividend payment date specified above for the payment of such dividend; the said dividends aggregating Eighty cents (80¢) per share shall be non-cumulative; the board of directors of the Company shall be entitled from time to time to declare part of any of the said quarterly dividends of Twenty cents (20¢) per share notwithstanding that such quarterly dividend shall not be declared in full or shall not be paid on the quarterly dividend payment date specified above for payment and such quarterly dividend or the unpaid part thereof may be paid on a subsequent date or dates determined by the board of directors on which the Company shall have sufficient moneys properly applicable to the payment of the same; provided, however, that if within four (4) months after the expiration of any fiscal year of the Company the board of directors of the Company in its discretion shall not declare the said dividends aggregating Eighty cents (80¢) per share or any part thereof on the Class B preference shares for such fiscal year then the rights of the holders of the Class B preference shares to such dividends or any greater dividend than the dividend or dividends actually declared for such fiscal year shall be forever extinguished; at no time during any fiscal year of the Company shall the dividend or, if more than one (1), the aggregate of the dividends per share declared and/or paid and/or set aside for payment on the common shares during such fiscal year exceed the dividend or, if more than one (1), the aggregate of the dividends per share declared and/or paid and/or set aside for payment on the Class B preference shares during such fiscal year; no dividends shall be declared or paid or having been declared be set aside for payment on the non-cumulative redeemable non-voting Class C preference shares in any fiscal year of the Company unless and until four quarterly non-cumulative preferential cash dividends each of Twenty cents (20¢) per share for such fiscal year on all the Class B preference shares from time to time outstanding shall have been declared and paid on, or having been declared shall have been set aside for payment on, the respective quarterly dividend payment



dates specified above for the payment thereof; whenever in any fiscal year of the Company four (4) quarterly dividends each of Twenty cents (20¢) per share on all the Class B preference shares from time to time outstanding shall have been declared and paid on, or having been declared shall have been set aside for payment on, the respective quarterly dividend payment dates specified above for the payment thereof and whenever in such fiscal year a dividend or dividends aggregating Eighty cents (80¢) per share shall have been paid or having been declared shall have been set aside for payment on all the common shares from time to time outstanding any and all further dividends in such fiscal year (other than dividends on the 5% cumulative Class A preference shares and on the non-cumulative redeemable non-voting Class C preference shares) shall be declared in equal amounts per share on all the Class B preference shares and all the common shares at the time outstanding; provided that as to the Class B preference shares all the above mentioned dividends thereon, including such additional dividends, shall be paid in cash by the issue of warrants or cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches as may from time to time be designated by such bankers excepted) and that as to the common shares all the above mentioned dividends thereon, including such additional dividends, may be paid in cash or in fully paid non-cumulative redeemable non-voting Class C preference shares having an aggregate par value equal to such dividends or partly in cash and partly in such fully paid shares taken as the equivalent in cash of their aggregate par value; provided further, however, that: (i) no such non-cumulative redeemable non-voting Class C preference shares may be so issued at any time if as a result of or in connection with such issue any holder of Class B preference shares would become liable to pay any tax under the Income Tax Act, R.S.C. 1952, Cap. 148 (as now enacted or as the same may from time to time be amended or re-enacted); and (ii) if the Company pays any tax either

- (a) under the provisions of Part II of the said Income Tax Act (as now enacted or as the same may from time to time be amended or re-enacted) or
- (b) under any similar provisions,

at a rate in either case greater than fifteen per cent (15%) of the amount on which such tax is paid (the amount by which such tax so paid exceeds the amount which such tax would have been if the rate had been fifteen per cent (15%) of the amount on which such tax was paid being hereinafter referred to as the "excess tax") then the excess tax shall for all purposes of this clause (1) and of clause (4) hereof be treated as and be considered as having been declared and paid at the time of such payment of tax as a dividend upon the common shares then outstanding, in equal amounts per share; nothing herein shall apply to or operate to prevent the payment by the Company of any such tax at a rate of fifteen per cent (15%) or less of the amount on which such tax is paid; any prohibition or restriction set forth or provided for in this clause (1) or in clause (4) hereof with respect to or against the payment of any dividend on the common shares shall apply to the payment of any excess tax;

(2) In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding up its affairs the holders of the Class B preference shares shall be entitled to receive from the assets and property of the Company a sum equivalent to all declared and unpaid non-cumulative preferential cash dividends thereon before any amount shall be paid or any property or assets of the Company distributed to the holders of any common shares or shares of any other class ranking junior to the Class B preference shares and thereafter (subject to the provisions of clause (3) attaching to the non-cumulative redeemable non-voting Class C preference shares) the holders of the Class B preference shares and the holders of the common shares shall be entitled to share equally share for share in all distributions of the assets of the Company;

(3) The holders of the Class B preference shares shall not be entitled as such (except as hereinafter specifically provided) to attend any meeting of the shareholders of the Company or to vote at any such meeting (but shall be entitled to have mailed to them copies of the financial statements and the auditor's report thereon submitted to annual meetings of shareholders and notice of shareholders' meetings) unless and until the Company from time to time shall fail to pay six (6) consecutive quarterly dividends of Twenty cents (20¢) each on the Class B preference shares on the quarterly dividend payment dates specified above whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to the payment of dividends; thereafter until (but only until) the Company shall pay eight (8) consecutive quarterly dividends of Twenty cents (20¢) each on the Class B preference shares on the quarterly dividend payment dates specified above the holders of Class B preference shares shall be entitled to attend all meetings of the shareholders of the Company and to one (1) vote in respect of each Class B preference share held and in addition shall be entitled as a class to elect one (1) director of the Company; nothing herein contained shall be deemed to limit the right of the Company from time to time to increase or decrease the number of its directors;

Notwithstanding anything contained in the by-laws of the Company the term of office of all persons who may be directors of the Company at any time when the right to elect a director shall accrue to the holders of Class B preference shares as herein provided or who may be appointed as directors if such right shall have accrued and before a meeting of shareholders shall have been held shall terminate at the time for the election of new directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such voting rights upon not less than twenty (20) days' written notice and such general meeting of shareholders shall be called by the secretary of the Company upon the written request of the holders of record of at least one-tenth (1/10) of the outstanding Class B preference shares and in default of the calling of such general meeting by the secretary within five (5) days after the making of such request such meeting may be called by any holder of record of Class B preference shares;

Upon a director elected to represent the holders of Class B preference shares in accordance with the foregoing provisions ceasing to be a director such vacancy may be filled by the board; whether or not such vacancy is so filled by the board the holders of record of at least one-fifth (1/5) of the outstanding Class B preference shares shall have the right to require the secretary of the Company to call a meeting of the holders of Class B preference shares for the purpose of filling such vacancy or replacing the person filling such vacancy who has been appointed by the directors and the provisions of the last preceding sub-paragraph shall apply in respect of the calling of such meeting;

Notwithstanding anything contained in the by-laws of the Company, upon any termination of the voting rights of the holders of Class B preference shares as herein provided the term of office of the director elected to represent the holders of Class B preference shares shall forthwith terminate;

(4) If the Company fails to pay on any quarterly dividend payment date specified above the said non-cumulative preferential cash quarterly dividend of Twenty cents (20¢) per share in full on all the Class B



preference shares then outstanding, then no dividends shall at any time be declared or paid on or set aside for the common shares or any of them or any other shares of the Company ranking junior to the Class B preference shares unless and until six (6) consecutive quarterly dividends of Twenty cents (20¢) each on the Class B preference shares from time to time outstanding shall thereafter have been declared and paid on, or having been declared shall have been set aside for payment on, the respective quarterly dividend payment dates specified above for the payment thereof;

(5) Any holder of fully paid Class B preference shares shall be entitled at his option at any time up to and including but not after the first day of October, A.D. 1965, (subject as hereinafter provided) to have all or any of the fully paid Class B preference shares held by him converted into fully paid common shares without par value as the same shall be constituted at the time of conversion upon the basis of one (1) common share for each two (2) Class B preference shares in respect of which the conversion privilege is exercised;

The conversion privilege herein provided for may be exercised by notice in writing given to a transfer agent of the Company accompanied by the certificate or certificates representing Class B preference shares in respect of which the holder thereof desires to exercise such right of conversion and such notice shall be signed by the person registered on the books of the Company as the holder of the Class B preference shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify the number of Class B preference shares which the holder desires to have converted; upon receipt of such notice the Company shall issue certificates representing common shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class B preference shares represented by the certificate or certificates accompanying such notice; if less than all the Class B preference shares represented by any certificate are to be converted the holder shall be entitled to receive a new certificate for the Class B preference shares representing the shares comprised in the original certificate which are not to be converted;

If at any time after the first day of January, A.D. 1956, the number of Class B preference shares outstanding is reduced to less than Four Thousand Five Hundred (4500) then upon such reduction (which reduction is hereinafter called the "said event") all such shares then outstanding as fully paid shall without any further act or formality be reclassified into fully paid common shares without par value as the same shall be constituted at the time of such reclassification upon the basis of one (1) common share for each two (2) Class B preference shares; as soon as possible after the occurrence of the said event the Company shall mail to each person who at the time of the said event was a registered holder of fully paid Class B preference shares a notice in writing of the occurrence of the said event and of such reclassification; such notice shall be mailed in a prepaid letter addressed to each such holder at his address appearing on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; a copy of such notice shall be mailed by prepaid registered mail to the Provincial Secretary or Deputy Provincial Secretary as soon as possible after the occurrence of the said event; provided, however, that failure to give any such notice to one (1) or more of such holders or to the Provincial Secretary or Deputy Provincial Secretary shall not affect the validity of such reclassification; such notice shall require such holders to surrender the certificate or certificates representing the Class B preference shares reclassified as aforesaid at the head office of the Company or at any other place specified in such notice on any date specified in such notice, which date shall be not less than twenty (20) nor more than thirty (30) days after the mailing of such notice, and such holders shall thereupon surrender the certificates representing such Class B preference shares so reclassified; the Company shall forthwith on and after the date so specified issue a certificate or certificates representing the appropriate number of common shares to each holder of Class B preference shares so reclassified but only after the surrender of the appropriate certificate or certificates representing Class B preference shares; upon the occurrence of the said event the fully paid Class B preference shares then outstanding shall be reclassified into common shares upon the said basis whether or not the said notice shall be given as above provided;

Upon any conversion or reclassification of any Class B preference shares the Company shall make no payment or adjustments on account of any declared and unpaid dividends on the Class B preference shares so converted or reclassified or on account of any dividends on the common shares resulting from such conversion or reclassification;

No holder of Class B preference shares shall be entitled to be registered on the books of the Company as the holder of a fraction of a common share upon the exercise of the conversion privilege of the holders of Class B preference shares or upon a reclassification of Class B preference shares as above provided or to receive a share certificate therefor but he shall be entitled to receive a bearer fractional certificate in respect of such fraction, which fractional certificate shall be non-voting and non-dividend-bearing;

All shares resulting from any conversion or reclassification of Class B preference shares into common shares as aforesaid shall be deemed to be fully paid and non-assessable;

(6) So long as any of the Class B preference shares are outstanding the Company shall not without, but may from time to time with, the approval of the holders of the Class B preference shares given as hereinafter specified, in addition to any vote or authorization required by The Corporations Act, 1953:

- (a) sell or otherwise dispose of or permit any subsidiary to sell or otherwise dispose of (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) by conveyance, transfer, lease or otherwise the assets and undertaking of the Company or of a subsidiary as the case may be as an entirety or substantially as an entirety; or
- (b) be voluntarily liquidated, dissolved or wound up or distribute its assets among its shareholders (except by way of dividends) or surrender its charter; or
- (c) create any shares ranking or purporting to rank as to capital or dividends in priority to or on a parity with or junior to the Class B preference shares or increase the authorized amount of the 5% cumulative Class A preference shares or of the Class B preference shares or of the non-cumulative redeemable non-voting Class C preference shares or of the common shares; or
- (d) subdivide or consolidate or change the common shares into a greater or lesser number of common shares or issue in exchange for the common shares a greater or lesser number of common shares or declare or pay a stock dividend upon the common shares or a dividend payable at the option of the respective holders either in common shares or in cash; or
- (e) issue any of the common shares after the first day of November, A.D. 1955, at a net price to the Company (after the payment of all expenses and commissions, if any) of less than Ten dollars (\$10) per share or for a consideration other than cash;



provided, however, that the restrictions in this clause (6) contained shall not apply to nor operate to prevent

- (i) the issuance at any time or from time to time of non-cumulative redeemable non-voting Class C preference shares in payment of dividends on the common shares as provided in clause (1) hereof; or
- (ii) the conversion or reclassification of Class B preference shares into common shares in accordance with the provisions of clause (5) hereof;

“Subsidiary” as used herein means any corporation or company of which more than fifty per cent (50%) of the outstanding shares carrying voting rights at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the board of directors of such corporation or company) are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary;

(7) The provisions hereof contained in the clauses numbered (1) to (12) both inclusive attaching to the Class B preference shares and clauses numbered (1) to (13) both inclusive attaching to the non-cumulative redeemable non-voting Class C preference shares or any of such clauses and the rights, preferences, priorities, limitations, conditions and restrictions attaching to the 5% cumulative Class A preference shares may be deleted, varied, modified, amended or amplified by Supplementary Letters Patent but only with the approval of the holders of Class B preference shares given as hereinafter specified, in addition to any vote or authorization required by The Corporations Act, 1953;

(8) The approval of the holders of the Class B preference shares hereby required as to any and all matters referred to herein, as distinct from any vote or authorization required by The Corporations Act, 1953, may be given in writing by the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the outstanding Class B preference shares or by resolution passed or confirmed at a meeting of the holders of Class B preference shares duly called and held upon at least ten (10) days' notice at which the holders of at least a majority of the outstanding Class B preference shares are present or represented by proxy and carried by the affirmative votes of the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the Class B preference shares represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of the outstanding Class B preference shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date not being less than fifteen (15) days later and to such time and place as may be appointed by the chairman and at least seven (7) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of Class B preference shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the Class B preference shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Class B preference shares referred to above; the formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Class B preference shares shall be entitled to one (1) vote in respect of each Class B preference share held;

(9) The authorization required by subsection 4 of section 33 of The Corporations Act, 1953, as now enacted or as the same may from time to time be amended or re-enacted, may be given by at least two-thirds ( $\frac{2}{3}$ ) of the votes cast at a meeting of the holders of Class B preference shares duly called for that purpose;

(10) The Class B preference shares shall rank junior to the 5% cumulative Class A preference shares of the Company and shall be subject in all respects to the rights, preferences, priorities, limitations, conditions and restrictions attaching to such shares;

(11) The non-cumulative redeemable non-voting Class C preference shares shall rank junior to the Class B preference shares and shall be subject in all respects to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class B preference shares; and

(12) The common shares shall rank junior to the Class B preference shares and shall be subject in all respects to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class B preference shares and shall entitle the holders thereof to one (1) vote in respect of each common share held at all meetings of the shareholders of the Company.

The preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the non-cumulative redeemable non-voting Class C preference shares (hereinafter called the “Class C preference shares”) in the capital of the Company are substantially as follows:

(1) The holders of the Class C preference shares, in priority to the common shares and any shares ranking junior to the Class C preference shares, shall be entitled to receive and the Company shall pay thereon as and when declared by the board of directors of the Company out of the moneys of the Company properly applicable to the payment of dividends (a) up to and including but not after the thirty-first day of December, A.D. 1959, fixed preferential non-cumulative cash dividends at the rate of one per cent (1%) per annum on the amounts from time to time paid up thereon and (b) from and after the first day of January, A.D. 1960, fixed preferential non-cumulative cash dividends at the rate of three per cent (3%) per annum on the amounts from time to time paid up thereon; the board of directors shall be entitled from time to time to declare part of the said preferential non-cumulative cash dividend for any fiscal year notwithstanding that such dividend for such fiscal year shall not be declared in full; if within four (4) months after the expiration of any fiscal year of the Company the board of directors in its discretion shall not declare the said dividend or any part thereof on the said Class C preference shares for such fiscal year, then the rights of the holders of the said Class C preference shares to such dividend or to any undeclared part thereof for such fiscal year shall be forever extinguished; the holders of the Class C preference shares shall not be entitled to any dividends other than or in excess of the preferential non-cumulative cash dividends hereinbefore provided for;

(2) Except with the consent in writing of the holders of all the Class C preference shares outstanding, no dividends shall at any time be declared or paid upon or set aside for the common shares or any other shares of the Company ranking junior to the Class C preference shares in any fiscal year unless and until the preferential non-cumulative cash dividend on all the Class C preference shares outstanding in respect of such fiscal year has been declared and paid or set aside for payment;

(3) In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding up its affairs the holders of the Class C preference shares shall (after the payment to the holders of the 80¢ participating Class B preference shares of



a sum equivalent to all declared and unpaid preferential non-cumulative cash dividends thereon) be entitled to receive from the assets and property of the Company a sum equivalent to the amount paid up on the Class C preference shares held by them respectively together with all declared and unpaid preferential non-cumulative cash dividends thereon before any amount shall be paid or any property or assets of the Company distributed to the holders of 80¢ participating Class B preference shares or common shares or shares of any class ranking junior to the Class C preference shares; after payment to the holders of the Class C preference shares of the amounts so payable to them as above provided they shall not be entitled to share in any further distribution of the property or assets of the Company;

(4) The Company may at any time or times purchase (if obtainable) for cancellation some or all of the Class C preference shares outstanding from time to time either by private contract or by invitation for tenders addressed to all the holders of record of the Class C preference shares outstanding at the lowest price at which in the opinion of the directors such shares are obtainable but not exceeding the amount paid up thereon plus costs of purchase and all declared and unpaid preferential non-cumulative cash dividends thereon; if upon any invitation for tenders under the provisions of this clause the Company shall receive tenders of Class C preference shares at the same lowest price which the Company may be willing to pay in an aggregate number greater than the number for which the Company is prepared to accept tenders, the Class C preference shares so tendered shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Class C preference shares so tendered by each of the holders of Class C preference shares who submitted tenders at the said same lowest price;

(5) The Company may upon giving notice as hereinafter provided redeem at any time the whole or from time to time any part of the then outstanding Class C preference shares on payment for each share to be redeemed of the amount paid up thereon together with all declared and unpaid preferential non-cumulative cash dividends thereon;

(6) In any case of redemption of Class C preference shares under the provisions of the last preceding clause (5) hereof the Company shall at least twenty (20) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Class C preference shares to be redeemed a notice in writing of the intention of the Company to redeem such Class C preference shares; such notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one (1) or more of such shareholders shall not affect the validity of such redemption; such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed; on or after the date so specified for redemption the Company shall pay or cause to be paid to or to the order of the registered holders of the Class C preference shares to be redeemed the redemption price thereof on presentation and surrender at the head office of the Company or any other place designated in such notice of the certificates representing the Class C preference shares called for redemption; such Class C preference shares shall thereupon be redeemed; if a part only of the Class C preference shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Company; from and after the date specified in any such notice the Class C preference shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected; the Company shall have the right at any time after the mailing of notice of its intention to redeem any Class C preference shares as aforesaid to deposit the redemption price of the shares so called for redemption or of such of the said shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Class C preference shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class C preference shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively;

(7) The holders of the Class C preference shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company and shall not be entitled to vote at any such meeting; the holders of the Class C preference shares shall, however, be entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof;

(8) No class of shares may be created ranking as to capital or dividends in priority to or on a parity with the Class C preference shares nor shall the authorized amount of the 5% cumulative Class A preference shares or the 80¢ participating Class B preference shares or the Class C preference shares be increased without the approval of the holders of the Class C preference shares given as hereinafter specified, in addition to any vote or authorization required by The Corporations Act, 1953;

(9) The provisions hereof contained in clauses numbered (1) to (13) both inclusive attaching to the Class C preference shares or any of such clauses may be deleted, varied, modified, amended or amplified by Supplementary Letters Patent but only with the approval of the holders of the Class C preference shares given as hereinafter specified, in addition to any vote or authorization required by The Corporations Act, 1953;

(10) The approval of the holders of the Class C preference shares hereby required as to any and all matters referred to herein, as distinct from any vote or authorization required by The Corporations Act, 1953, may be given in writing by the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the outstanding Class C preference shares or by resolution passed or confirmed at a meeting of holders of Class C preference shares duly called and held upon at least ten (10) days' notice at which the holders of at least a majority of the outstanding Class C preference shares are present or represented by proxy and carried by the affirmative votes of the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the Class C preference shares represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of the outstanding Class C preference shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date not being less than ten (10) days later and to such time and place as may be appointed by the Chairman and at least five (5) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such



adjourned meeting the holders of Class C preference shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds ( $\frac{2}{3}$ ) of the Class C preference shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Class C preference shares referred to above; the formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Class C preference shares shall be entitled to one (1) vote in respect of each Class C preference share held;

(11) The authorization required by subsection 4 of section 33 of The Corporations Act, 1953, as now enacted or as the same may from time to time be amended or re-enacted, may be given by at least two-thirds ( $\frac{2}{3}$ ) of the votes cast at a meeting of the holders of Class C preference shares duly called for that purpose;

(12) No Class C preference shares shall be issued except in payment of dividends as provided in clause (1) attaching to the 80¢ participating Class B preference shares and, notwithstanding anything herein contained, no Class C preference shares shall be issued at any time when there are outstanding any Class C preference shares which were issued one (1) year or more prior to such time; and

(13) The common shares without par value shall rank junior to the Class C preference shares and shall be subject in all respects to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class C preference shares and shall entitle the holders thereof to one (1) vote in respect of each common share held at all meetings of the shareholders of the Company.

The common shares in the capital of the Company entitle the holders thereof to one vote in respect of each common share held at all meetings of the shareholders of the Company.

9. Under a deed of trust and mortgage dated as of May 1, 1954 and made between the Company and National Trust Company, Limited, as Trustee, the Company issued \$750,000 aggregate principal amount of 5 $\frac{1}{4}$ % First Mortgage Sinking Fund Bonds Series A (hereinafter referred to as the "Series A Bonds") dated as of May 1, 1954, to mature on May 1, 1974 and bearing interest from May 1, 1954 at the rate of 5 $\frac{1}{4}$ % per annum payable half-yearly on May 1 and November 1 in each year. Of the said \$750,000 aggregate principal amount of Series A Bonds \$713,000 principal amount thereof are presently outstanding.

The Series A Bonds are redeemable by the Company at its option in whole at any time or in part from time to time on not less than 30 days' notice:

(i) when redeemed otherwise than out of sinking fund moneys, at the principal amount thereof plus a premium of 4 $\frac{3}{4}$ % of such principal amount if redeemed on or before May 1, 1956, such premium thereafter decreasing  $\frac{1}{4}$  of 1% of such principal amount for each year commenced or elapsed from May 1, 1956 to the date specified for redemption up to and including May 1, 1973 and thereafter and prior to maturity at the principal amount thereof;

(ii) when redeemed out of sinking fund moneys, at the principal amount thereof;

together in each case with accrued interest to the date specified for redemption provided however that the Company may not call Series A Bonds for redemption (otherwise than out of sinking fund moneys) in whole or in part on or before May 1, 1959 in connection with a refunding operation by the application of borrowed funds bearing interest at a rate of less than 5 $\frac{1}{4}$ % per annum.

The Company has covenanted in the said deed of trust and mortgage to pay to the Trustee as and by way of a sinking fund for the Series A Bonds on May 1 in each of the years 1955 to 1973 inclusive the sum of \$37,000 and to pay to the Trustee on demand such amounts as may be paid by the Trustee in retiring Series A Bonds out of sinking fund moneys to the extent that the cost thereof (including costs of purchase) exceeds the principal amount thereof. The obligation of the Company in this respect for the year 1955 has been complied with.

The Company is entitled to purchase Series A Bonds in the market or by private contract at prices not exceeding the redemption price current at the time of purchase in respect of Series A Bonds redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase.

The said deed of trust and mortgage contains provisions permitting (subject to certain conditions therein set forth) the issuance from time to time of Bonds up to an aggregate principal amount of \$2,500,000 of which the Series A Bonds were authorized as the initial issue.

The said deed of trust and mortgage constitutes in the opinion of counsel (i) a first fixed and specific mortgage, hypothec, pledge or charge on all the real and immovable freehold properties now owned by the Company and (ii) a first floating charge under the laws of the Province of Ontario on the undertaking and all other properties and assets of the Company now owned or hereafter acquired and not validly subjected to the specific mortgage, hypothec, pledge or charge. The said first fixed and specific mortgage, hypothec, pledge or charge is expressed to be applicable to all real and immovable freehold properties hereafter acquired by the Company.

The said deed of trust and mortgage contains covenants among others that so long as any of the Series A Bonds remain outstanding the Company will not

(i) declare or pay any dividends (other than in shares of the Company's capital stock) on any of its shares at any time outstanding; or

(ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding (except out of the proceeds of an issue of shares made at any time after May 1, 1954, and prior to or contemporaneously with any such redemption, reduction, purchase or payment), provided that the Company was permitted to redeem or purchase for cancellation before July 1, 1954, in accordance with the terms, conditions, provisions and restrictions then attached thereto, any or all of the 2642 non-cumulative second preference shares of the par value of \$100 each in the capital stock of the Company outstanding on May 1, 1954; or

(iii) pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (R.S.C. 1952, Cap. 148) as now enacted or as the same may from time to time be amended or re-enacted or pay any tax under any similar provisions; or

(iv) redeem, reduce, repay, purchase or otherwise pay off in whole or in part before March 1, 1965, the Notes payable on March 1, 1965 which were outstanding on May 1, 1954 in the aggregate amount of \$152,931.77 (which Notes have since been reduced to \$150,000 aggregate amount)



I. unless immediately after giving effect to such action the aggregate amount

- (a) declared and/or paid subsequent to December 31, 1953, as dividends (other than in shares of the Company's capital stock) on all shares of all classes of the Company's capital stock; and
- (b) distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to December 31, 1953, in respect of all shares of all classes of the Company's capital stock, except on the redemption or purchase for cancellation before July 1, 1954, in accordance with the terms, conditions, provisions and restrictions then attached thereto, of any or all of the 2642 non-cumulative second preference shares of the par value of \$100 each in the capital stock of the Company outstanding on May 1, 1954; and
- (c) paid as tax as mentioned in sub-clause (iii) immediately preceding; and
- (d) paid (on redemption, reduction, repayment, purchase or other payment off) before March 1, 1965, in respect of the Notes referred to in sub-clause (iv) immediately preceding

will not be more than the aggregate of the consolidated net earnings available for dividends (as defined) of the Company and its subsidiaries (as defined) since December 31, 1953, plus (i) the net cash proceeds to the Company of the issue of any shares of its capital stock after May 1, 1954; (ii) the sum of \$25,000; and (iii) the amount by which the net cash proceeds to the Company of any insurance policies held on May 1, 1954 by the Company on the life of any officer or employee of the Company exceed \$125,000; and

II. unless immediately after giving effect to such action the consolidated net tangible assets (as defined) of the Company and its subsidiaries (as defined) shall be equal to at least two and one-half times the principal amount of all consolidated funded obligations (as defined) of the Company and its subsidiaries (as defined) outstanding at the time of such action; and

III. unless immediately after giving effect to such action the consolidated net current assets (as defined) of the Company and its subsidiaries (as defined) shall be equal to at least one hundred per cent (100%) of the principal amount of all the Bonds then outstanding or \$500,000, whichever is the greater.

The Company at this time does not propose to issue any bonds, debentures or other securities which if issued would rank ahead of or *pari passu* with the 80¢ participating Class B preference shares offered by this prospectus.

10. The Company proposes to proceed with an addition to its West End Hamilton plant at Rifle Range Lane, Hamilton, the addition to be a building of brick and steel and to have an area of approximately 53,000 square feet. The purpose of such addition is to enable all the wire rope manufacturing operations of the Company to be carried on in the West End plant. It is anticipated that the capital cost of the construction of such addition will be approximately \$300,000. Part of the funds required to meet such capital cost may be obtained by borrowing but the amount of such borrowing and the particulars of the security, if any, to be given therefor cannot be stated at the present time. Except as above set forth no substantial indebtedness is presently proposed to be created or assumed which is not shown in the pro forma balance sheet as at August 31, 1955 forming part of this prospectus.

11. No securities of the Company are covered by outstanding options given by the Company or options proposed to be given by the Company.

12. The number of securities offered by this prospectus is stated on the face of this prospectus to which reference is hereby expressly made. The price at which the securities offered by this prospectus are being offered to the public is as stated on the face of this prospectus. No securities of the Company have been offered for subscription within the two preceding years other than the \$750,000 aggregate principal amount of Series A Bonds referred to in paragraph 9 hereof which were issued on May 14, 1954 pursuant to an agreement between the Company and Gairdner & Company Limited dated March 16, 1954 (as amended by further agreement between the Company and Gairdner & Company Limited dated April 2, 1954) against payment in cash of \$750,000 plus accrued interest. Gairdner & Company Limited acted as agent in the sale of the said Series A Bonds and was paid a commission of \$22,500 for its services as such agent.

13. The offering of the 80¢ participating Class B preference shares offered by this prospectus (which are being sold by shareholders of the Company) does not represent new financing by the Company and the proceeds of the sale of the said 80¢ participating Class B preference shares will not be paid into the treasury of the Company.

14. By agreement dated October 14, 1955 George E. Donald and Sydney H. Green have agreed respectively to sell 40,500 and 4500 80¢ participating Class B preference shares (being the 45,000 80¢ participating Class B preference shares offered by this prospectus) to Gairdner, Son & Company Limited at a price of \$13.72½ per share flat.

15. The by-laws of the Company contain the following provisions with respect to the remuneration of directors:

The remuneration to be paid to the Directors shall be such as the board shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Company who is also a member of the Board of Directors. The Directors may also by resolution award special remuneration to any Director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a Director by the Company and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The Directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Company.

16. The aggregate remuneration paid by the Company to the directors of the Company as directors during the financial year ended December 31, 1954 was nil and the estimated aggregate of such remuneration paid or payable during the current financial year is nil. The aggregate remuneration paid by the Company to officers of the Company who individually received or are entitled to receive remuneration in excess of \$10,000 per annum during the financial year ended December 31, 1954 was \$90,500 and the estimated aggregate of such remuneration payable during the current financial year is \$90,500.

17. No commission has been paid within the two years preceding the date hereof or is now payable by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company except as referred to in paragraph 12 of this statutory information.

18. The Company has been carrying on business for more than one year.



19. Except as set forth below and except for transactions entered into in the ordinary course of operations or on the general credit of the Company no property has been purchased or acquired by the Company or is proposed to be purchased or acquired by the Company the purchase price of which has been paid within the last two preceding years or is to be paid in whole or in part in securities of the Company or the purchase or acquisition of which has not been completed at the date hereof. As referred to in paragraph 10 hereof the Company proposes to proceed with an addition to its West End Hamilton plant, it being anticipated that the capital cost of the construction of such addition will be approximately \$300,000. The Company is presently the owner of the land upon which the said addition is to be constructed. The Company has not entered into any contracts for the supply of materials, equipment or labour in connection with the construction of such addition other than a contract dated October 24, 1955 with Bridge & Tank Company of Canada Limited, 231 Bay Street North, Hamilton, Ontario, for the supply of steel. Particulars of the remaining property to be acquired by the Company in connection with the construction of the said addition and the names and addresses of the vendors of such property cannot be set forth at the date hereof. The Company will acquire absolute title to all the property purchased or acquired by it in connection with the construction of the said addition provided that the land upon which the said addition is to be constructed is presently subject to the lien of the said deed of trust and mortgage above mentioned and the said addition will also be subject to the said lien.

20. Within the two years preceding the date hereof no securities of the Company have been issued or agreed to be issued as fully or partly paid up otherwise than in cash. Reference is made to the stock dividends referred to in paragraph 29 hereof.

21. No obligations are offered by this prospectus.

22. No services rendered or to be rendered to the Company are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus or have been within the last two preceding years or are to be paid for by securities of the Company. The services of Gairdner & Company Limited as agent in connection with the issue of the Series A Bonds as referred to in paragraph 12 hereof and legal, auditing and other services in connection with the issue of the said Series A Bonds were paid out of the proceeds of the said Series A Bonds.

23. No amount has been paid within the two preceding years or is intended to be paid to any promoter.

24. No material contracts have been entered into by the Company within the two preceding years other than contracts entered into in the ordinary course of business carried on by the Company except the following:

- (a) The agreement dated March 16, 1954 with Gairdner & Company Limited referred to in paragraph 12 hereof.
- (b) The agreement dated April 2, 1954 with Gairdner & Company Limited referred to in paragraph 12 hereof.
- (c) The deed of trust and mortgage dated as of May 1, 1954 referred to in paragraph 9 hereof.
- (d) The contract dated October 24, 1955 between Bridge & Tank Company of Canada Limited and the Company referred to in paragraph 19 hereof.

The said agreements, deed of trust and mortgage and contract may be inspected at the head office of the Company, 180 King William Street, Hamilton, Ontario during ordinary business hours during the course of primary distribution to the public of the securities offered by this prospectus. The Company has entered into contracts or commitments for the purchase of machinery at a total cost of approximately \$110,000 which are considered to be in the ordinary course of business.

25. At the present time the Company does not propose to acquire any property in which any director of the Company is interested.

26. The Company has been carrying on business for more than three years.

27. George E. Donald, Ancaster, Ontario, by reason of beneficial ownership of common shares without par value in the capital of the Company is in a position to elect or cause to be elected a majority of the directors of the Company.

28. No securities of the Company are to the knowledge of the directors of the Company held in escrow.

29. The following are the particulars of the dividends paid upon the 5% cumulative Class A preference shares (formerly designated as cumulative first preference shares) with a par value of \$100 each in the capital of the Company during the five years preceding the date hereof:

Date of payment	Rate per share	Total amount
December 1, 1951.....	\$5.00	\$22,700
June 1, 1952.....	2.50	11,350
December 1, 1952.....	2.50	11,350
June 1, 1953.....	2.50	11,350
December 1, 1953.....	2.50	11,350
June 1, 1954.....	2.50	11,350
December 1, 1954.....	2.50	11,350
June 1, 1955.....	2.50	11,350

The following are the particulars of the dividends paid during the five years preceding the date hereof upon the common shares without par value in the capital of the Company as the same was constituted prior to the issuance to the Company of the supplementary letters patent dated October 28, 1955 above referred to:

A dividend of \$290,087 in the aggregate was paid on June 30, 1953 on all the common shares in the capital of the Company then outstanding. At such time a holder of common shares paid the sum of \$13 to the Company and 2901 fully paid non-cumulative second preference shares with a par value of \$100 each in the capital of the Company as then constituted were issued in satisfaction of such dividend and against such payment.

A dividend of \$20,006 in the aggregate was paid on August 30, 1955 on all the common shares in the capital of the Company then outstanding which dividend was satisfied as to \$20,000 by the issuance of 200



fully paid non-cumulative second preference shares with a par value of \$100 each in the capital of the Company as then constituted.

Dated this 8th day of November, 1955.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), under an Act respecting securities (3-4 Elizabeth II, chap.11, Statutes of Quebec), and by Section 39 of The Securities Act, 1954 (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible.

#### **Directors**

(Signed) GEO. E. DONALD

(Signed) R. E. OLIVER

(Signed) S. H. GREEN

(Signed) P. W. HUME

(Signed) R. F. INCH

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), under an Act respecting securities (3-4 Elizabeth II, chap.11, Statutes of Quebec), and by Section 39 of The Securities Act, 1954 (Saskatchewan), and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

#### **Underwriter**

Gairdner, Son & Company Limited

by (Signed) J. S. GAIRDNER







